



## SHUTDOWN FAQ: 7(a) LOANS

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**Q: I am a delegated-authority (“PLP”) lender. Can I use my delegated status to approve a loan during the government shutdown?**

**A: NO!** Regardless of the processing method, NO new loans can be approved during the shutdown. SBA is not maintaining a 7(a) loan “queue”, and it is NAGGL’s understanding that during the shutdown lenders **will not be able to access E-Tran** for any loan origination functions.

**Q: I’m getting ready to disburse a loan that was approved by SBA prior to the shutdown. Can I do that?**

**A: Yes.** Loans that already have an SBA loan number may be disbursed.

**Q: Can I make a “bridge” or “interim” loan during the shutdown and then take that out with an SBA loan after the shutdown is over?**

**A: Yes, but only under very limited circumstances,** and subject to the general requirement that all such loans are made wholly at the lender’s risk. Per SOP 50 10 5(J), p. 126, if the purpose of the loan is something other than real estate construction, SBA *probably* would allow the lender to take out an “interim” loan made during the shutdown with a 7(a)-guaranteed loan as long as the 7(a) loan is processed under the lender’s delegated (PLP) authority AND the 7(a) loan number is obtained within 90 days of the lender’s approval of the interim loan.

PLP-processed loans made for construction purposes and all loans that will be processed on a non-delegated basis (i.e, through the Loan Guaranty Processing Center), have different requirements and will NOT be considered to be bridge/interim loans. If the lender approves one of these loans, and later wants to refinance it with an SBA-guaranteed loan, the refinancing will be subject to all of SBA’s refinancing requirements, including those related to refinancing same institution debt. [See SOP 50 10 5(J), pages 123-130.]

**Q: I need to increase the amount of a loan that was approved by SBA prior to the shutdown. Can I do that?**

**A: No.** Loan increases are treated in the same manner as new loans and cannot be processed during the shutdown.

**Q: I need to take a servicing action on a loan that was approved by SBA prior to the shutdown. Can I do that?**

**A: It depends.** Servicing actions that require SBA's prior approval, including, among other things, loan increases, CANNOT be taken during the shutdown. Lenders can take servicing actions that are fully delegated to them, including those actions that require that the lender provide notice to SBA. [Check the [7\(a\) Servicing and Liquidation Actions Matrix](#) and SOPs 50 10 and 50 57 for information regarding actions that require SBA's prior approval as well as those that require notice to SBA.] It is NAGGL's understanding that, during the shutdown, E-Tran access will remain available for servicing actions subject to the requirements noted above.

**Q: What happens if I need to take a servicing action in order to protect my institution's and SBA's interests and that action requires SBA's prior approval?**

**A:** SBA has named a few agency employees as "essential" personnel during the shutdown. Those individuals are available to assist lenders with only those actions that are deemed essential to protect the lender/SBA interests. See names below and [email NAGGL for contact information >](#)

Jihoon Kim (Director, Office of Financial Program Operations)  
Vanessa Piccioni (Director, National Guaranty Purchase Center)  
Joel Stiner (Commercial Loan Servicing Center - Fresno)  
Sarah Hawkins (Commercial Loan Servicing Center - Little Rock)

**Q: How does the shutdown impact secondary market transactions?**

**A:** No SBA staff is available for secondary market related functions. However, [BNY Mellon/Colson Services](#) is open and working during the shutdown, so actions within the purview of the Fiscal and Transfer Agent (FTA) may still be taken. Lenders should contact BNY Mellon/Colson Services directly with any questions.

Watch [naggl.org](http://naggl.org) homepage for updates!



[Calendar of events >](#)

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